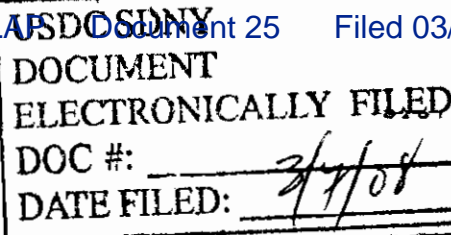


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UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

MERRILL LYNCH COMMERCIAL FINANCIAL  
CORP. as assignee of interest of Merrill Lynch Business  
Financial Services Inc

07 CV 7048 (LAP)

Plaintiff,

-against-

**STIPULATION  
OF  
SETTLEMENT**

D.M.S. DIAMOND CO., INC., MARC STEINBERG, and  
"JOHN DOE #1" THROUGH "JOHN DOE #12", the last  
twelve names being fictitious and unknown to plaintiff,  
being persons having or claiming an interest in or lien  
upon the Collateral described in the complaint,

Defendants.

**IT IS HEREBY STIPULATED AND AGREED TO**, by and between the  
undersigned, the attorneys for plaintiff and defendants by D.M.S. Diamond Co., Inc.  
and Marc Steinberg ("Defendants"), as follows:

1. Defendants agree to repay the Obligations owed to plaintiff, as defined in  
the WCMA Note referenced in the Complaint, as follows: (a) twelve (12) \$8,000  
consecutive monthly payments due on March 15, 2008, April 15, 2008, May 15, 2008,  
June 15, 2008, July 15, 2008, August 15, 2008, September 15, 2008, October 15,  
2008, November 15, 2008, December 15, 2008, January 15, 2009, and February 15,  
2009; and (b) the remaining balance of the Obligations by March 15, 2009.

2. Should the defendants default in making any payment when due as  
required above, plaintiff shall be entitled to enter judgment against them, jointly and  
severally, for the Obligations, giving credit for any amounts received hereunder. Prior

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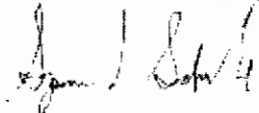
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to the entry of judgment, the defendants shall be entitled to a five (5) day notice to  
cure, to their counsel by fax, but no more than two (2) such notices over the period  
that the Obligations are repaid.

Dated: New York, New York  
March 3, 2008

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davidledgin@aol.com

SO ORDERED:

\_\_\_\_\_  
U.S.D.J.

The Clerk of the Court shall  
mark this action closed and all  
pending motions denied as moot.

SO ORDERED:

  
LORETTA A. PRESKA, U.S.D.J.

March 7, 2008